

AMERICAN PRIVATE GIVING OUTPACES U.S. GOVERNMENT AID

WASHINGTON, APRIL 12 -- The U.S. private sector donates to international causes at a level nearly four times the amount spent by the U.S. government on official development assistance (ODA), according to a report about to be published by the Hudson Institute's Center for Global Prosperity.

Called the Index on Global Philanthropy, the report tallies \$71 billion in international donations by U.S. private charities, religious organizations, universities, corporations, foundations, and immigrants sending money home for the year of 2004 (the latest year available).

That compares to \$20 billion in government foreign aid for the same year. The Organisation of Economic Co-operation and Development (OECD) ranks the United States as the biggest donor of government foreign aid among developed countries in terms of total dollars given. But, in another measurement, OECD figures each country's aid as a percentage of its gross national income, which puts the United States second-to-last -- with 0.17 percent of its GNI given as foreign aid.

According to the Hudson Institute, "the tradition of private giving is considerably less developed in Europe than in the U.S." The think tank argues that Americans give abroad as they do at home -- privately -- and that the OECD underestimates the impact of that assistance.

Close to half of all American adults do volunteer work, according to Independent Sector, a forum for charitable organizations. The index estimates volunteering for international projects totals 135,000 full-time work hours per year -- worth more than \$4 billion. Web sites like www.volunteerabroad.com (<http://www.volunteerabroad.com/>) encourage the trend.

All told, U.S. private and voluntary organizations alone gave \$9.7 billion to developing countries in 2004, more than did the government of Japan, the index says.

“People in developing countries know these groups -- American Red Cross, CARE, Catholic Relief, Rotary Clubs, Lions Clubs, YMCA -- and their foreign counterpart organizations,” said Carol C. Adelman, director of Hudson Institute’s Center for Global Prosperity.

According to the report, U.S. businesses gave \$4.9 billion in 2004. Adelman refers to “philanthrocapitalists” -- who bring “business techniques, accountability, transparency and results to remote villages in need.”

American universities and colleges gave more to developing countries in foreign scholarships (\$1.7 billion) than Australia, Belgium, Ireland and Switzerland each gave in ODA in 2004, the report says.

The index reports that foundations donated \$3.4 billion in 2004. The Foundation Center, a philanthropy-research organization, reported a 77 percent increase in the number of foundations in the United States in a recent decade and a 100 percent increase in international giving by foundations from 1998 to 2002.

The index includes tabulations of donations by other private sectors in 2004, including religious organizations (\$4.5 billion) and remittances by individual immigrants to their home villages (\$47 billion).

The report’s authors said this is the first of what will become an annual survey that will eventually include data on international, private giving from Europe and other parts of the world.

Additional information (<http://www.global-prosperity.org/>) is available on the Hudson Institute’s Center for Global Prosperity Web site.

For information on how U.S. foreign assistance is affecting lives, see Partnership for a Better Life (<http://usinfo.state.gov/partnerships/index.html>) and Global Development and Foreign Aid (http://usinfo.state.gov/ei/economic_issues/global_development.html).

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(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: <http://usinfo.state.gov>)

GR/ 2006

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